

RESEARCH LIBRARYFederal Reserve Bank
of St. Louis**U.S. Financial Data**

FEB 03 1986

January 30, 1986

The money multiplier, the ratio of the money stock (M1) to the adjusted monetary base, increased 3.3 percent in 1985. Among other things, changes in the multiplier reflect changes in how the public allocates its assets. For example, smaller holdings of currency relative to checkable deposits (the k-ratio) imply a larger proportion of the monetary base in reserves. Other things the same, a smaller k-ratio implies a higher multiplier. Likewise, the ratio of holdings in time deposits and money market deposit accounts relative to checkable deposits (the t-ratio) is inversely related to the multiplier.

The table below illustrates the inverse relationships between both the k- and t-ratios and the money multiplier. During 1985, the public increased its holdings of checkable deposits relative to both currency and time deposits. These shifts caused both the k- and t-ratios to decline and the money multiplier to increase.

M1 Multiplier, k-Ratio and t-Ratio
(seasonally adjusted)

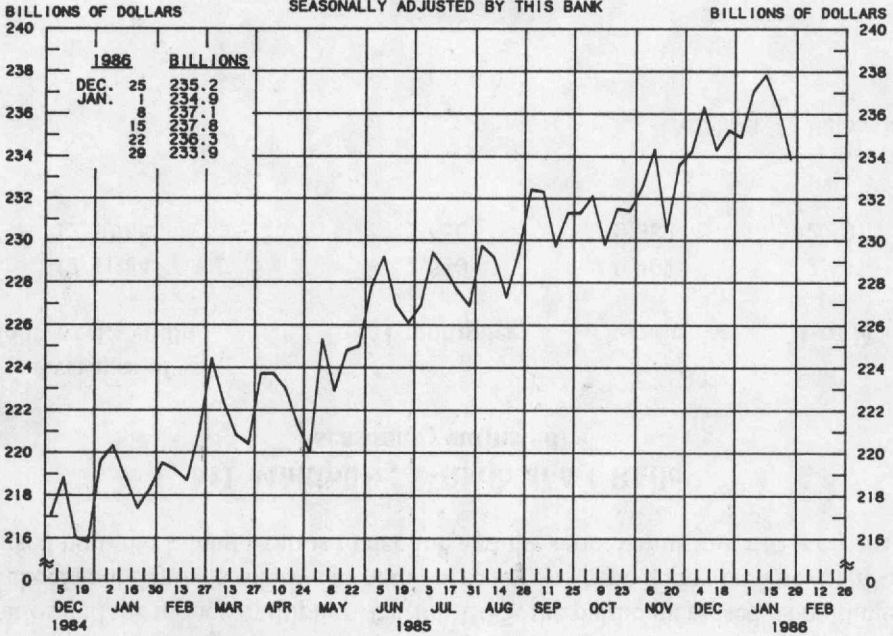
Averages of four weeks ending	M1 multiplier	k-ratio	t-ratio
12/31/84	2.570	0.402	2.637
12/30/85	2.656	0.382	2.507

—Michael T. Belongia



ADJUSTED MONETARY BASE

AVERAGES OF DAILY FIGURES
SEASONALLY ADJUSTED BY THIS BANK



LATEST DATA PLOTTED WEEK ENDING: JANUARY 29, 1986

THE ADJUSTED MONETARY BASE IS THE SUM OF RESERVE ACCOUNTS OF FINANCIAL INSTITUTIONS AT FEDERAL RESERVE BANKS, CURRENCY IN CIRCULATION (CURRENCY HELD BY THE PUBLIC AND IN THE VAULTS OF ALL DEPOSITORY INSTITUTIONS) AND AN ADJUSTMENT FOR RESERVE REQUIREMENT RATIO CHANGES. THE MAJOR SOURCE OF THE ADJUSTED MONETARY BASE IS FEDERAL RESERVE CREDIT. DATA ARE COMPUTED BY THIS BANK. A DETAILED DESCRIPTION OF THE ADJUSTED MONETARY BASE IS AVAILABLE FROM THIS BANK.

RECENT DATA ARE PRELIMINARY.

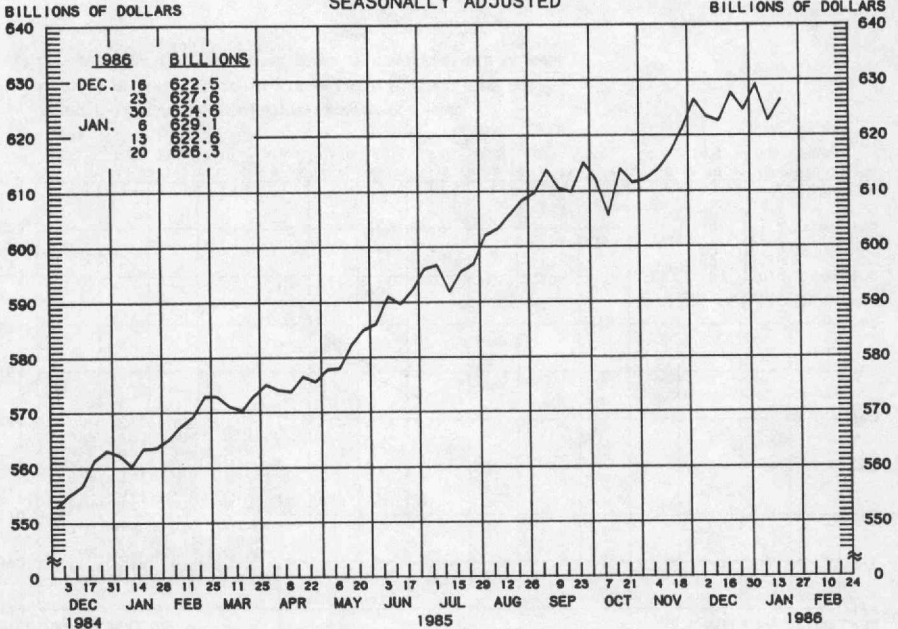
ADJUSTED MONETARY BASE

COMPOUNDED ANNUAL RATES OF CHANGE, AVERAGE OF FOUR WEEKS ENDING:

	1/30/85	5/1/85	6/26/85	7/31/85	8/28/85	10/2/85	10/30/85	11/27/85
TO THE AVERAGE OF FOUR WEEKS ENDING:								
6/26/85	10.3							
7/31/85	8.8	11.5						
8/28/85	8.2	9.8	3.6					
10/2/85	8.6	10.1	6.2	8.1				
10/30/85	7.7	8.5	4.8	5.5	5.9			
11/27/85	7.8	8.5	5.5	6.3	6.8	4.3		
1/1/86	8.2	9.0	6.6	7.5	8.2	7.1	10.4	
1/29/86	8.0	8.7	6.6	7.3	7.8	6.9	9.1	9.3

PREPARED BY FEDERAL RESERVE BANK OF ST. LOUIS

MONEY STOCK (M1)
 AVERAGES OF DAILY FIGURES
 SEASONALLY ADJUSTED



LATEST DATA PLOTTED WEEK ENDING: JANUARY 20, 1986

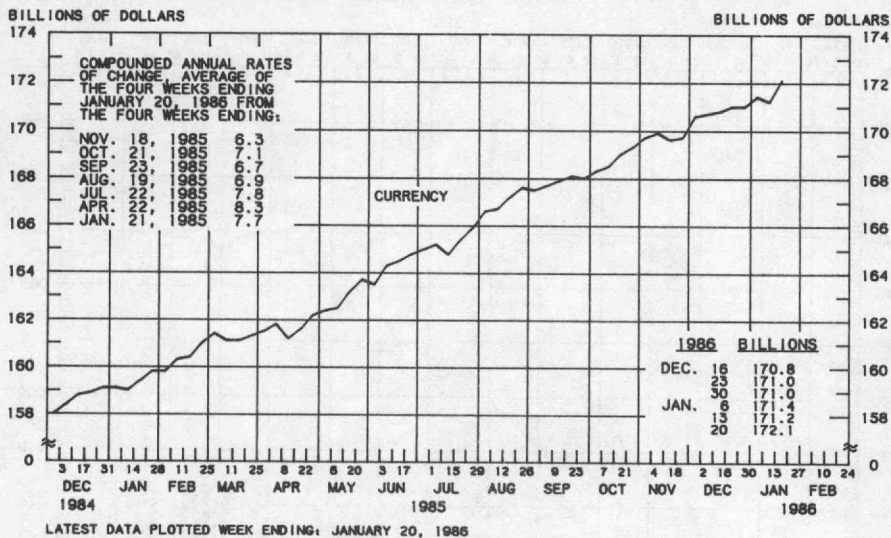
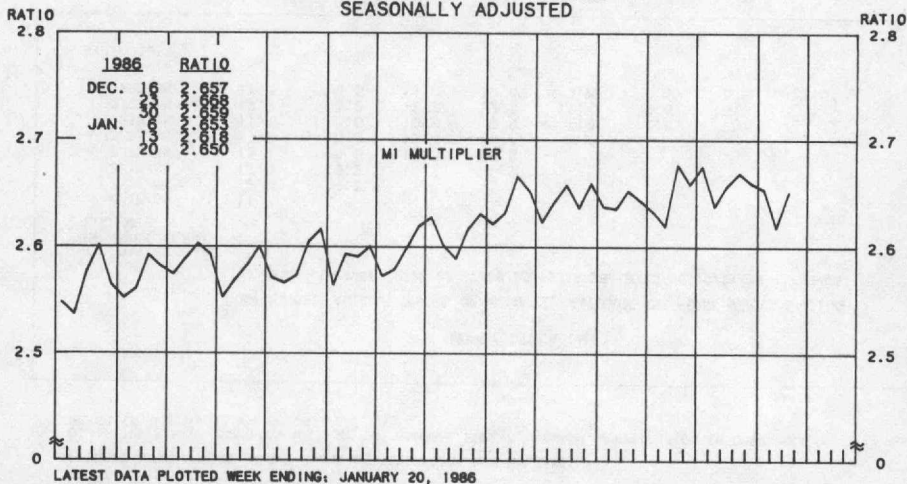
CURRENT DATA APPEAR IN THE BOARD OF GOVERNORS' H.6 RELEASE.

M1 IS THE SUM OF CURRENCY HELD BY THE NONBANK PUBLIC, DEMAND DEPOSITS, OTHER CHECKABLE DEPOSITS AND TRAVELERS CHECKS.

MONEY STOCK (M1)									
COMPOUNDED ANNUAL RATES OF CHANGE, AVERAGE OF FOUR WEEKS ENDING:									
	1/21/85	4/22/85	6/17/85	7/22/85	8/19/85	9/23/85	10/21/85	11/18/85	
TO THE AVERAGE OF FOUR WEEKS ENDING:									
6/17/85	11.7								
7/22/85	12.0	14.8							
8/19/85	12.6	15.2	14.7						
9/23/85	13.1	15.5	15.3	16.5					
10/21/85	11.9	13.3	12.1	11.7	9.7				
11/18/85	11.1	12.0	10.6	9.8	7.9	2.8			
12/23/85	12.2	13.2	12.5	12.3	11.4	9.6	13.2		
1/20/86	11.3	12.0	11.0	10.6	9.6	7.6	9.5	12.0	

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MONEY MULTIPLIER ^{1/}
CURRENCY COMPONENT OF MONEY STOCK ^{2/}
 AVERAGES OF DAILY FIGURES
 SEASONALLY ADJUSTED



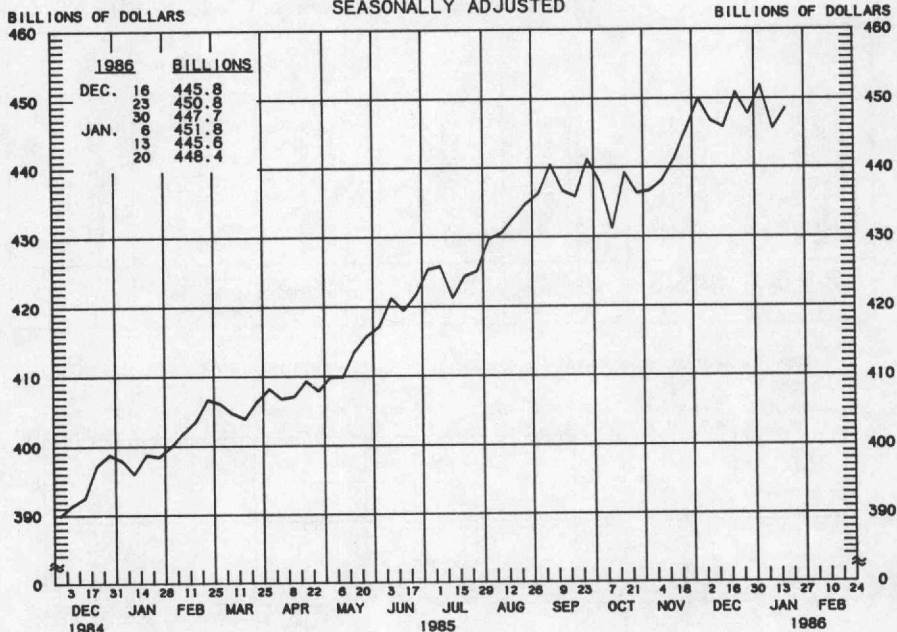
1/ RATIO OF MONEY STOCK (M1) TO ADJUSTED MONETARY BASE

2/ CURRENT DATA APPEAR IN THE BOARD OF GOVERNORS' H.6 RELEASE.

PREPARED BY FEDERAL RESERVE BANK OF ST. LOUIS

TOTAL CHECKABLE DEPOSITS

AVERAGES OF DAILY FIGURES
SEASONALLY ADJUSTED



LATEST DATA PLOTTED WEEK ENDING: JANUARY 20, 1986

TOTAL CHECKABLE DEPOSITS IS THE SUM OF DEMAND DEPOSITS AND OTHER CHECKABLE DEPOSITS AT ALL DEPOSITORY INSTITUTIONS.

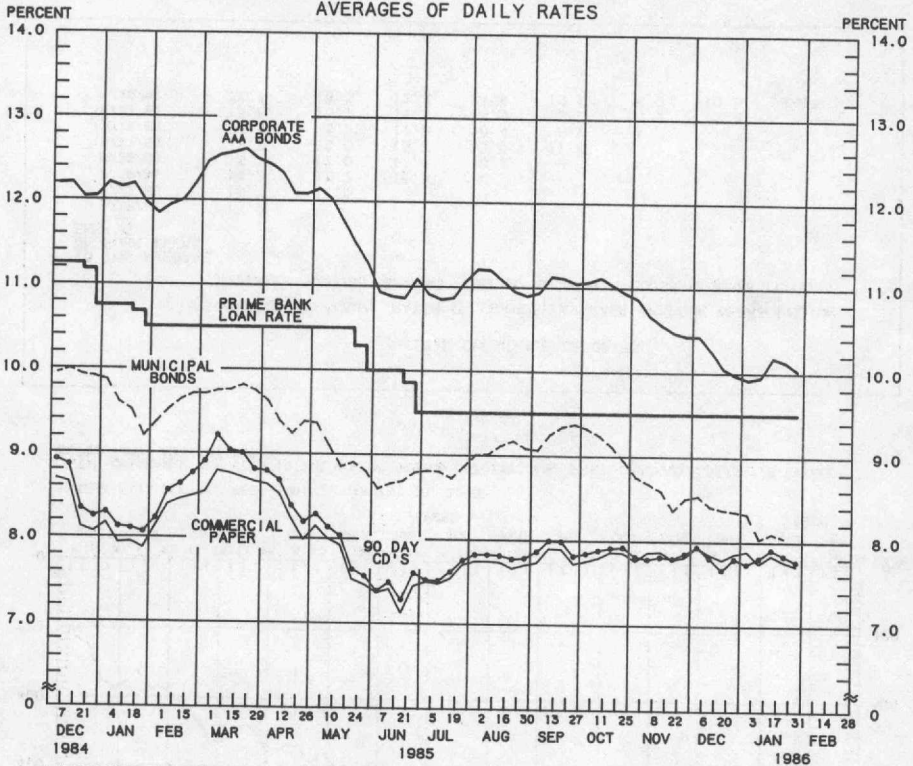
TOTAL CHECKABLE DEPOSITS

COMPOUNDED ANNUAL RATES OF CHANGE, AVERAGE OF FOUR WEEKS ENDING:

	1/21/85	4/22/85	6/17/85	7/22/85	8/19/85	9/23/85	10/21/85	11/18/85
TO THE AVERAGE OF FOUR WEEKS ENDING:								
6/17/85	13.2							
7/22/85	13.7	17.0						
8/19/85	14.2	17.2	16.5					
9/23/85	15.1	17.9	17.8	19.2				
10/21/85	13.5	15.0	13.7	13.0	11.0			
11/18/85	12.3	13.2	11.5	10.4	8.2	1.2		
12/23/85	13.8	15.1	14.3	14.0	13.2	10.5	15.4	
1/20/86	12.7	13.5	12.4	11.8	10.7	8.0	10.5	14.5

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YIELDS ON SELECTED SECURITIES AVERAGES OF DAILY RATES



1986	90 DAY CD'S	30-DAY COMMERCIAL PAPER	90-DAY BANKERS' ACCEPTANCES*	CORPORATE AAA BONDS	CORPORATE BAA BONDS	MUNICIPAL BONDS **
DEC. 6	7.94	7.94	7.78	10.43	11.87	8.54
13	7.81	7.85	7.67	10.26	11.70	8.42
20	7.67	7.79	7.56	10.05	11.43	8.38
27	7.80	7.86	7.70	9.97	11.36	8.36
JAN. 3	7.74	7.89	7.65	9.92	11.36	8.33
10	7.81	7.75	7.66	9.95	11.37	8.04
17	7.91	7.84	7.72	10.18	11.48	8.10
24	7.84	7.77	7.62	10.13	11.49	8.05
31 *	7.77	7.72	7.61	10.03	11.47	N.A.
FEB. 7						
14						
21						
28						

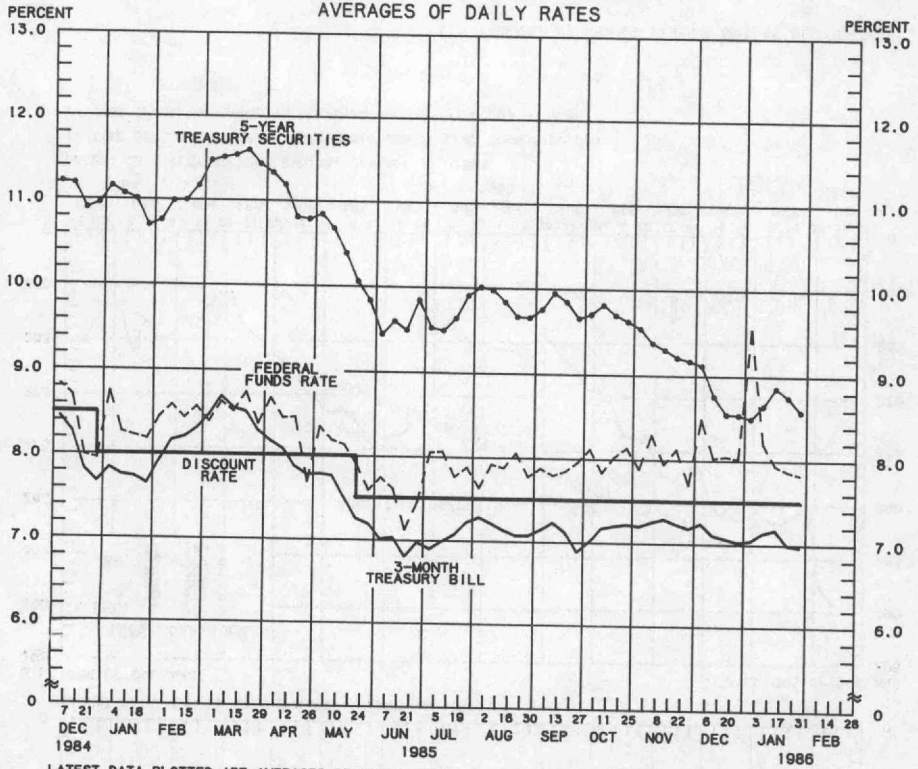
NOTE: CURRENT DATA APPEAR IN THE BOARD OF GOVERNORS' H.15 RELEASE.
* AVERAGES OF RATES AVAILABLE
** BOND BUYER'S AVERAGE INDEX OF 20 MUNICIPAL BONDS, THURSDAY DATA

N.A. - NOT AVAILABLE

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SELECTED INTEREST RATES

AVERAGES OF DAILY RATES



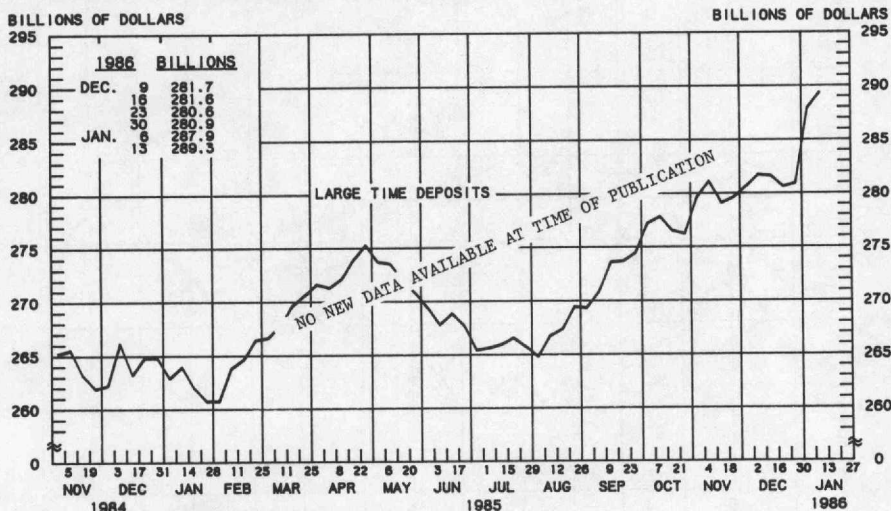
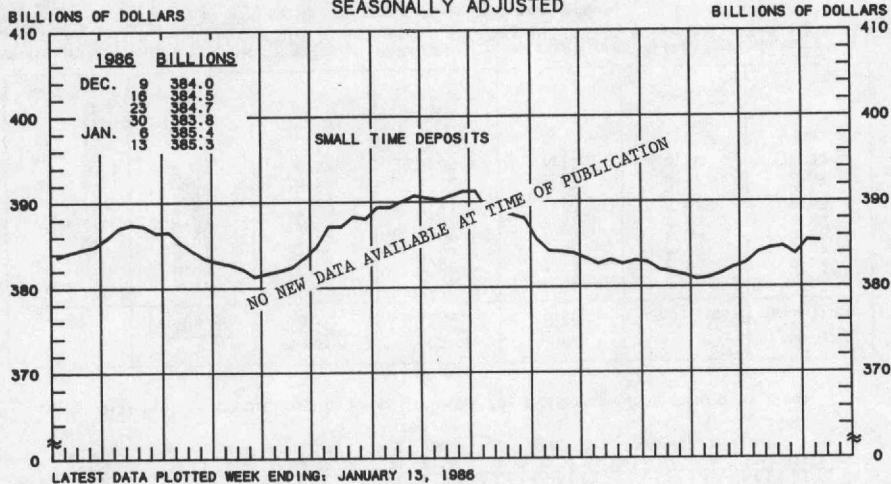
LATEST DATA PLOTTED ARE AVERAGES OF RATES AVAILABLE FOR THE WEEK ENDING: JANUARY 31, 1986.

1986	FEDERAL FUNDS RATE	3-MONTH TREASURY BILL	6-MONTH TREASURY BILL	1-YEAR TREASURY BILL	5-YEAR TREASURY SECURITIES	LONG-TERM TREASURY SECURITIES
DEC. 6	8.49	7.24	7.26	7.35	9.12	10.05
13	8.03	7.10	7.02	7.13	8.76	9.74
20	8.05	7.06	7.01	7.07	8.55	9.52
27	8.02	7.02	7.05	7.09	8.54	9.46
JAN. 3	9.55	7.04	7.07	7.12	8.50	9.44
10	8.20	7.13	7.11	7.21	8.65	9.53
17	7.94	7.17	7.28	7.32	8.86	9.72
24	7.87	6.99	7.14	7.21	8.75	9.67
31 *	7.83	6.97	7.03	7.12	8.58	9.53
FEB. 7						
14						
21						
28						

NOTE: CURRENT DATA APPEAR IN THE BOARD OF GOVERNORS' H.15 RELEASE EXCLUDING LONG-TERM TREASURY SECURITIES WHICH ARE COMPUTED BY THIS BANK. TREASURY BILL YIELDS ARE ON A DISCOUNT BASIS.
 * AVERAGES OF RATES AVAILABLE
 † SEVEN-DAY AVERAGES FOR WEEK ENDING TWO DAYS EARLIER THAN DATE SHOWN
 ‡ ONE-DAY AVERAGE (DISCOUNT)

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COMMERCIAL BANK
SMALL TIME DEPOSITS 1/
LARGE TIME DEPOSITS 2/
AVERAGES OF DAILY FIGURES
SEASONALLY ADJUSTED



LATEST DATA PLOTTED WEEK ENDING: JANUARY 13, 1986

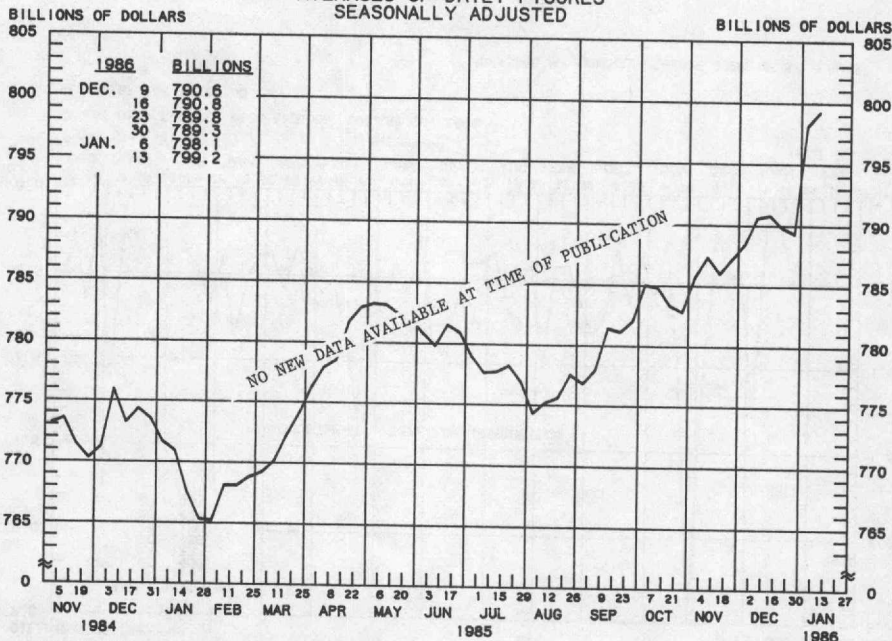
1/ TIME DEPOSITS ISSUED IN DENOMINATIONS OF LESS THAN \$100,000

2/ TIME DEPOSITS ISSUED IN DENOMINATIONS OF \$100,000 OR MORE

PREPARED BY FEDERAL RESERVE BANK OF ST. LOUIS

COMMERCIAL BANK TOTAL TIME DEPOSITS

AVERAGES OF DAILY FIGURES
SEASONALLY ADJUSTED



LATEST DATA PLOTTED WEEK ENDING: JANUARY 13, 1986

TOTAL TIME IS THE SUM OF SAVINGS DEPOSITS, SMALL TIME DEPOSITS AND LARGE TIME DEPOSITS.

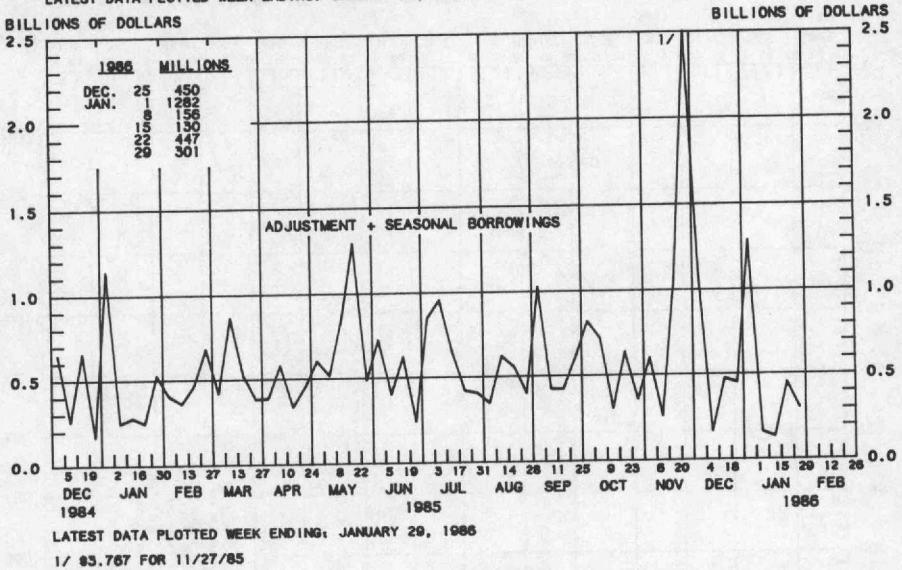
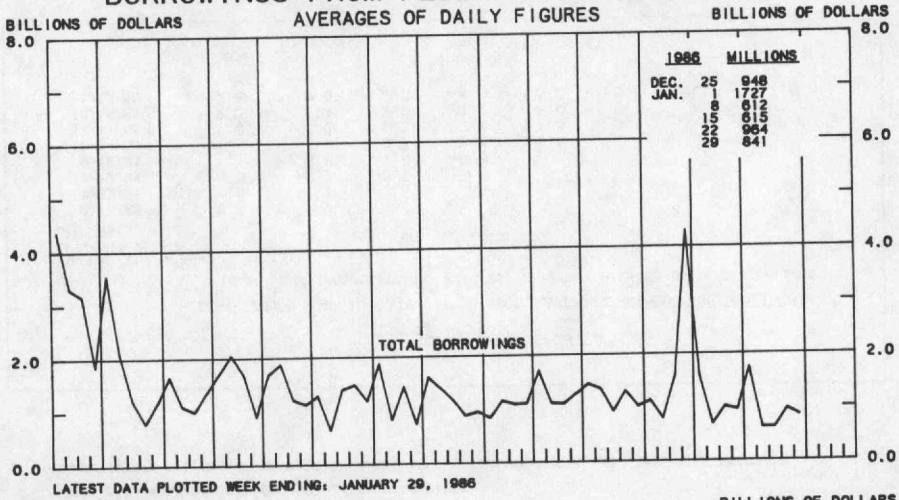
TOTAL TIME DEPOSITS

COMPOUNDED ANNUAL RATES OF CHANGE, AVERAGE OF FOUR WEEKS ENDING:

	1/14/85	4/15/85	6/10/85	7/15/85	8/12/85	9/16/85	10/14/85	11/11/85
TO THE AVERAGE OF FOUR WEEKS ENDING:								
6/10/85	2.8							
7/15/85	1.6	1.1						
8/12/85	0.8	-0.2	-3.7					
9/16/85	1.1	0.5	-1.4	-0.3				
10/14/85	1.8	1.7	0.7	2.3	5.3			
11/11/85	1.9	1.8	1.1	2.4	4.5	5.5		
12/16/85	2.3	2.4	2.0	3.2	5.0	5.7	4.6	
1/13/86	2.8	3.0	2.8	4.0	5.5	6.3	5.7	7.0

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BORROWINGS FROM FEDERAL RESERVE BANKS



PREPARED BY FEDERAL RESERVE BANK OF ST. LOUIS

MMDAS, MMMFS AND SUPER NOWS

(BILLIONS OF DOLLARS, NOT SEASONALLY ADJUSTED)

		MMDAs 1/	MMMFs 2/	Super NOWs 3/
November	18	\$329.4	\$239.6	\$62.5
	25	330.0	242.1	62.8
December	2	330.4	241.1	64.1
	9	331.8	240.6	63.8
	16	NO NEW DATA AVAILABLE AT TIME OF PUBLICATION		63.8
	23	332.1	240.6	63.8
	30	332.9	239.3	63.6
January	6	336.9	236.6	66.5
	13	337.4	243.1	66.6

1/ Money market deposit accounts at commercial banks

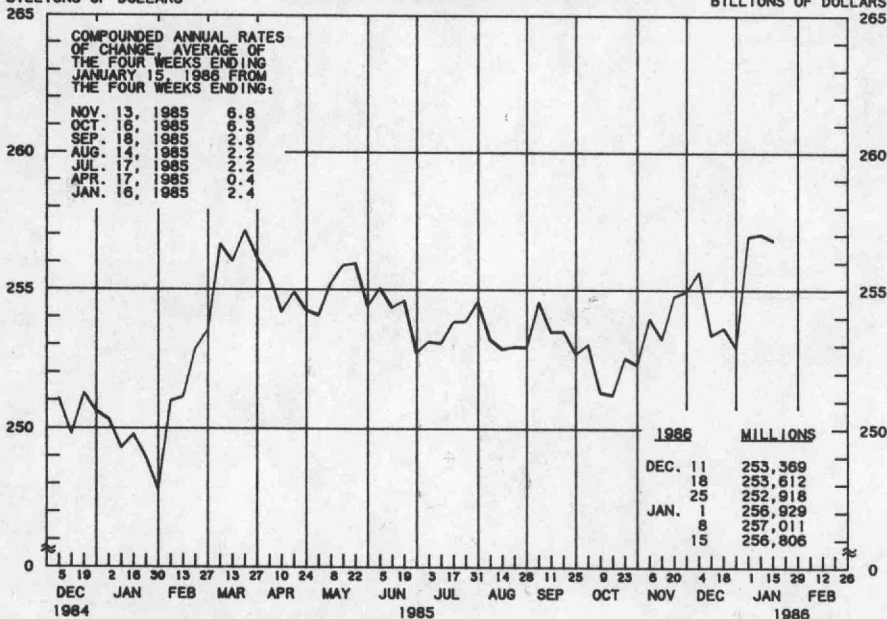
2/ Total money market mutual fund balances

3/ NOW accounts at all depository institutions eligible to earn more than 5.25 percent

BUSINESS LOANS^{1/} (COMMERCIAL AND INDUSTRIAL) WEEKLY REPORTING LARGE COMMERCIAL BANKS^{2/} SEASONALLY ADJUSTED BY THIS BANK

BILLIONS OF DOLLARS

BILLIONS OF DOLLARS



LATEST DATA PLOTTED WEEK ENDING: JANUARY 15, 1986

1/ BUSINESS LOANS INCLUDE BANKERS' ACCEPTANCES AND COMMERCIAL PAPER.

2/ BANKS WITH DOMESTIC ASSETS GREATER THAN \$1.4 BILLION

PREPARED BY FEDERAL RESERVE BANK OF ST. LOUIS